



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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CONTACT: Heather Murphy (602) 542-0844

MESA FIRMS ORDERED TO HALT ILLEGAL "BUSINESS OPPORTUNITY" SCHEME & PAY RESTITUTION

PHOENIX – Two Mesa-based companies, their president, and three out-of-state companies consented to an Arizona Corporation Commission Order to cease and desist from sales of investments in "business opportunities" involving equipment used to process credit and debit consumer transactions. The equipment, called cash ticket machines and wireless terminal machines, was sold together with service contracts. The local companies are Mesa-based World Wireless Solutions, Inc., an Arizona corporation, and World Electronic Payment Solutions, Inc. (WEPS), a Nevada corporation that maintained a Mesa office. Their President is Kimber Lea Baudour, who now resides in Nevada. The out-of-state companies are Mobile Cash Systems, LLC and World Cash Providers, LLC, both Nevada limited liability companies, and World Cash Providers, Inc., a California corporation. All of the firms and individuals involved consented to the Commission's order to cease and desist from the sale of unregistered securities and from fraud in the form of misrepresentations and omissions. The Commission ordered them to pay full restitution totaling \$12,142,829, to investors, including 144 Arizona investors. Penalties were also assessed for violations of Arizona's securities laws.

According to the Orders, the sales activity occurred from September 1999 through October 2000. The investments offered monthly profits from revenue generated from the operation of the equipment. Many investors received "revenue" payments even though equipment was never placed in service for them and the Mesa companies never provided services. According to the Orders, there were misrepresentations concerning the safety of these investments and risks were not disclosed, including the potential loss of investment funds.

Additionally, investors were not told about actions taken against some of the companies and their principals by California authorities. The California Department of Corporations ordered the World Cash

Providers companies to desist and refrain from further sales of securities in February 2000. The California agency also filed a lawsuit against some of the principals of World Cash Providers, who later became directors of the Mesa-based company, WEPS. After the California actions, the companies continued to operate from Nevada. Some of the same principals set up new service companies in Arizona.

Commission Chairman Bill Mundell, Commissioner Jim Irvin and Commissioner Marc Spitzer voted unanimously in favor of this action against the companies. "We will continue to protect vigilantly the investors' rights to full disclosure under the securities laws. Where companies fail to obtain proper registration or offer fraudulent investments, we will seek full restitution and sanction the companies with appropriate penalties, including, when warranted, to put the perpetrators out of business," said Commission Chairman Bill Mundell. Mark Sendrow, director of the Commission's Securities Division warns investors that "many alleged 'business opportunities' which involve the sale of products packaged with services are securities." The Commission urges the public to inquire as to the registration status of both securities products and securities salesmen before investing.

The Securities Division can be contacted at (602) 542-4242, toll free at 1-877-811-3878, or on the web at www.ccsd.cc.state.az.us.

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